

transcribed for ABD by ed 3/20/53 *

II/41(1,2)

29 August 1950

MEMORANDUM FOR Lt. Gen. W. B. Smith

1. In accordance with our conversation of 23 August, I am forwarding a memorandum outlining the basic current problems facing CIA.

2. In the interest of brevity, the problems are broadly stated. Therefore, I have attached in tabs c certain documents which go into considerable illustrative detail. This forwarding memorandum is classified TOP SECRET in accordance with the classification of Tabs F and G. The rest of the papers are classified in accordance with their content.

/s/ LAWRENCE R. HOUSTON

Lawrence R. Houston

Document No.	
Is change in class. <input type="checkbox"/>	
Is reclassified	
Class. changed by TS <input checked="" type="checkbox"/>	
For review only	
Date <u>8/28/90</u>	By <u>089159</u>

This document has been approved for release through the HISTORICAL REVIEW PROGRAM of the Central Intelligence Agency.

Date 3 JAN 1991

HRP 89-2

also Filed and carded
as:

HS/HC- 499

HS/HC- 810

~~TOP SECRET~~

000189

* 2 carbon copies destroyed on 15 Jan 1964 by MFR

29 August 1950

MEMORANDUM FOR THE RECORD

Set forth below is a brief statement of some of the more pressing problems presently facing the Central Intelligence Agency. These are the subject of extensive studies within the Agency and are voluminously documented in Agency files.

Appended hereto are certain documents which most clearly illustrate the issues involved and which indicate measures which would be basic steps in the solution thereof. These documents are identified in a list of tabs at the end of this paper.

1. Coordination of Activities.

Difficulties in coordinating the intelligence activities of the Government, and of performing other functions imposed upon CIA by law, result from existing National Security Council directives which impose upon CIA the board of directors mechanism of the Intelligence Advisory Committee (IAC) in the following manner:

~~SECRET~~

a. They require that recommendations and advice of the Director of Central Intelligence (DCI) to the National Security Council (NSC) must contain the concurrence or non-concurrence of the IAC;

b. They enable the IAC to assert the position that they are not merely advisory to the DCI, but are actually a board of directors, of which the DCI is but the executive secretary, i.e. one among equals;

c. Therefore the recommendations which go forward to the NSC are not CIA recommendations as contemplated by the law, but actually are watered-down compromises, replete with loop holes, in an attempt to secure complete IAC support.

2. Intelligence Support for Production of Estimates.

Difficulties are encountered by CIA in producing adequate intelligence estimates, due to the refusal of the IAC agencies to honor CIA requests for necessary intelligence information, departmental intelligence, or collection action:

a. Information has been withheld from CIA by IAC agencies on the basis that it is "operational" rather than "intelligence information" and therefore not available to CIA; that it is "eyes only" information or on a highly limited dissemination basis; or that it is handled under special security provisions which by-pass CIA;

b. CIA is not empowered to enforce its collection requests on IAC agencies, or establish priorities;

c. There is a failure of spontaneous dissemination of certain material to CIA;

d. IAC agencies continue to cite the so-called "Third Agency Rule" as a basis for refusing to give intelligence to CIA.

3. Production and Dissemination of Estimates

The furnishing of adequate national intelligence estimates

~~SECRET~~

- 3 -

to the President, the NSC, and other appropriate recipients is hampered by the lack of complete material, (as set forth in paragraph 3, above), and by present procedures which require concurrence or substantial dissent to each estimate from the IAC agencies, but make no provision for setting time limits thereon:

- a. Departmental agencies of the IAC cannot concur in intelligence estimates which conflict with agency substantive policy; nor can they free themselves from departmental bias or budgetary interests;
- b. Coordination of CIA estimates often takes months, with the result a compromise position;
- c. Departmental dissents to CIA estimates are frequently unsubstantial, quibbling or reflective of departmental policy.

4. Special Problems.

- a. The IAC agencies resist the grant of authority to CIA to issue directives affecting the intelligence field in general and their activities or priorities in particular on the ground that it would violate the concept of command channels;
- b. The status of CIA in relation to the President and the NSC must be redefined and clarified;
- c. The relationships between CIA on the one hand, and the Department of Justice -- particularly the FBI, on the other, especially in connection with the defector problem, must be improved and clarified.
- d. Difficulties imposed by NSC directives in the field of unconventional warfare must be eliminated, particularly the policy control over CIA granted to the Departments of State and Defense. The separation of clandestine operations into two offices within CIA creates serious problems of efficiency, efficacy and, above all, security;
- e. There is a failure of coordination of overt intelligence collection in the field, due in part to competition among the departments in the field, but also to lack of positive planning and

~~SECRET~~

~~SECRET~~

- 4 -

action by CIA. This results in unnecessary duplication and overlaps, and the initial withholding of choice material. It is becoming necessary for CIA to take a strong position in the field of overt collection abroad.

5. Nuclear Energy and Other Special Intelligence Subjects.

Each has its own but related problems.

6. Relationship between JCS and CIA in the Event of War.

This is an unresolved problem which has been the subject of considerable discussion, one aspect of which is covered by Tabs F and G attached. It may of course require urgent consideration at any time.

7. Conclusion.

Solution of the above problems lies in a grant of adequate authority to the DCI and CIA, and use of that authority to achieve the necessary coordination by direction rather than placing reliance in a spirit of cooperation and good will.

~~SECRET~~

INDEX OF TABS

- Tab A - CIA proposed revision of NSCID #1. This directive is believed by CIA to be necessary to give the Director the authority needed for exercise of his responsibilities. It has been forwarded to State for discussion, but no further action has been taken on it.
- Tab B - Proposed "Memorandum to the National Security Council," which elaborates paragraphs 1 - 3 set forth in the memorandum above. This was prepared several months ago as an introduction to CIA's proposed revision of NSCID #1, included herewith under Tab A.
- Tab C - National Security Council Intelligence Directive (NSCID) #1, under which CIA presently operates.
- Tab D - Memorandum entitled "Legal Responsibilities of the Central Intelligence Agency", which emphasizes particularly Congressional intent in regard to the national intelligence mission.
- Tab E - Current State/Defense proposals for reorganization of intelligence production within CIA. A compromise version of this paper is still under discussion.
- Tab E/1 - Compromise now urged by State/Defense thru Gen. Magruder.
- Tab F - Joint Intelligence Committee report on war time status and responsibilities of CIA and its field agencies (JIC 445/1, 12 July 1950). This indicates an intention on the part of the JIC to have JCS take over control of all covert activities in the event of war.
- Tab G - Memorandum for Brig. Gen. John Magruder, dated 16 August 1950, setting forth CIA's position on its war time relations to the Joint Chiefs. This memorandum was originally drafted for dispatch to the Secretary of Defense and was actually dispatched to General Magruder.

~~SECRET~~

~~SECRET~~

X/10 (1)

ER-O-8209

In God We Trust.

30 December 1949

MEMORANDUM FOR: Assistant Director for Collection & Dissemination
Assistant Director for Reports and Estimates

SUBJECT: State's Four Papers

ENCLOSURE: Memorandum to the IAC Members dated 30 December 1949 with enclosure

1. Will you think about the enclosure, especially the pages listed below, with a view towards eventual implementation of the final CIA Recommendations thereon.

2. Take it slow and easy to give this time enough to reach the IAC agencies and to be "considered" by them before doing anything about, or even mentioning, this report outside of CIA. So far as these Recommendations apply to activities outside of CIA, we are dependent upon action (if any) taken by the outside agencies. ←

3. We assume that in the course of not too much time, State will object to our not accepting entirely all of its recommendations. Up to date it has not had the active 100% support of the IAC members, which it must have contemplated when it submitted these four papers last August to be "implemented at the earliest feasible time" and "placed on the IAC agenda." Presumably, State will now try more actively to get the support of the IAC agencies for its own recommendations rather than for ours, but only time will tell.

4. If any questions are going to be raised about the enclosure, we think it best that they come from the outside agencies first. After a polite interval, we can start following our own recommendations when we shall undoubtedly find out how far the IAC agencies are willing to go along with us.

ORE

OCD

Pages 7, 8, 11, 13,
17, 20, & 23

Pages 8, 9, 10,
& 17

Also
Prescott Childs
RC J08 67-59
Box 2, Folder 8

Happy New Year!

PRESCOTT CHILDS, Chief,
Coordination, Operations,
and Policy Staff

E Pluribus Unum.

HS/HC-810

ITEM 2

~~SECRET~~

~~SECRET~~

ER-0-8206

30 December 1949

MEMORANDUM FOR: SPECIAL ASSISTANT TO THE SECRETARY OF STATE
FOR RESEARCH AND INTELLIGENCE
DIRECTOR OF INTELLIGENCE, GENERAL STAFF,
UNITED STATES ARMY
DIRECTOR OF NAVAL INTELLIGENCE
DIRECTOR OF INTELLIGENCE, HEADQUARTERS
UNITED STATES AIR FORCE
DIRECTOR OF INTELLIGENCE, ATOMIC ENERGY
COMMISSION
DEPUTY DIRECTOR, JOINT INTELLIGENCE GROUP,
THE JOINT STAFF
DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

SUBJECT: State's Four Papers re NSC 50.

ENCLOSURE: Report on the Four Papers submitted to the
Director of Central Intelligence by the Special
Asst. to the Secretary of State for Research &
Intelligence, dated 21 Dec. 1949.

1. With reference to previous memoranda and discussions on the
above subject, there is enclosed, as requested, the CIA Report on
the Four Papers submitted by the State Department.

2. The Recommendations in each instance show the position of
this Agency on the problems under consideration and the contemplated
action.

PC/dhl
COAPS

DISTRIBUTION:
Signer's Copy
Executive
General Counsel
Chief, I&S
All Assistant Directors
General Magruder
Admiral Souers
COAPS
Central Records (less enclosure)

R. H. Hillenkoetter
R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central
Intelligence

~~SECRET~~

~~SECRET~~

~~SECRET~~

21 December 1949

Report on the Four Papers
Submitted to the Director of Central Intelligence

by the Special Assistant to the Secretary of State
for Research and Intelligence
on 2 August 1949

- I. Coordination of Intelligence Activities
- II. Production of National Intelligence
- III. Research and Reports
- IV. Political Summaries

~~SECRET~~
~~SECRET~~

~~SECRET~~

~~SECRET~~

STATE'S FOUR PAPERS

("COAPS" is substituted for "ICAPS" throughout this paper after 1 October 1949)

BACKGROUND STATEMENT

1. On 2 August 1949, Mr. W. Park Armstrong, Jr., Special Assistant to the Secretary of State for Research and Intelligence, transmitted to the Director of Central Intelligence four papers containing recommendations for implementation "at the earliest feasible time," which he wished to have considered by the Intelligence Advisory Committee. The DCI submitted copies of these papers to the IAC members by circular memorandum dated 5 August 1949.
2. A preliminary examination of the State proposals was made within CIA prior to the Intelligence Advisory Committee meeting of 19 August 1949 at which it was decided "to pass (the four papers) on to the Standing Committee to see what can be worked out and refer them back to the IAC members."
3. On 24 August 1949, the State Department member of ICAPS met with Mr. Allen Evans to clarify certain aspects of the presentation made by the State Department.
4. On 30 August 1949 the IAC Standing Committee met to consider the State Department proposals. The goal of this meeting, which was not realized, was to evaluate the State recommendations and express Standing Committee indorsement or lack of indorsement on each one. Much discussion of substantially differing viewpoints dissipated progress at this meeting.
5. On 8 September 1949 the IAC Standing Committee met again, to consider a draft of a report to the Intelligence Advisory Committee on State Department's Problem I.- Coordination. At the outset of this meeting the Department of Defense members submitted for the first time a prepared paper expressing their views on the Department of State proposals. Basically the Defense paper supported many of the State recommendations and asked that the entire series of problems be examined and suggested solutions be offered by ICAPS.
6. A report on these Four Problems was prepared as a result of these discussions, and on 1 November 1949 the Director of Central Intelligence sent to the IAC two reports -- one of which was concurred in by all of the Standing Committee except the State member, who recommended in the second separate short report that the proposals of the Department of State be referred to COAPS "for preparation of a staff study which will:
 - a. "clearly indicate the areas of agreement and
 - b. "isolate and define the issues and areas on which there is disagreement."

~~SECRET~~

~~SECRET~~

~~SECRET~~

7. A staff report by COAPS on the Four Problems of State met with the indorsement of most of the IAC members in response to the DCI memorandum of 1 November 1949.

~~SECRET~~

~~SECRET~~

~~SECRET~~

PROBLEM I - COORDINATION OF INTELLIGENCE ACTIVITIES

State Recommendation 1:

"That COAPS serve as a joint staff under the direction of, and responsible to, the DCI, be composed of members contributed by the several agencies on a fulltime basis, but not 'representing' the agency, and be headed by a chief who will also be the Executive Secretary of the IAC."

Discussion:

This recommendation describes the present situation as regards the Chief of Coordination, Operations, and Policy Staff and the member from the Department of State. The "joint staff" concept has not been clearly established in the case of the members contributed by the military departments. The words "Executive Secretary" should be changed, however, to "Secretariat" to cover the staff work essential for promoting efficiency at the IAC meetings and at the same time to prevent conflict with the concept of single responsibility in operations to the Director of Central Intelligence.

Conclusion:

The functions of COAPS, as part of the CIA organization, have been established and clearly enumerated by the Director of Central Intelligence. These duties cover the viewpoints expressed by the Department of State.

Recommendation:

That a memorandum from the DCI to the IAC members indicate that COAPS, as his staff, will, among other duties, accomplish the staff work on all problems being brought to the attention of the Intelligence Advisory Committee.

~~SECRET~~

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

State Recommendation 2:

"That matters of coordination be referred to COAPS for study and recommendation by the DCI, or through the DCI by the IAC, but that COAPS itself may submit to the DCI, or through the DCI to the IAC, recommendations which it considers appropriate for consideration."

Discussion:

This recommendation describes accurately a relationship whereby the Coordination, Operations, and Policy Staff serves the DCI as a staff unit, recognizing that problems may be referred to the unit for staff study and that COAPS may itself initiate action when required.

Inherent in the wording of this recommendation, however, is the "Board of Directors" philosophy - giving little or no recognition to the principle of "forthright initiative and leadership" of the Director of Central Intelligence in the coordination of intelligence activities. NSC 50 has confirmed that the IAC is to function as an advisory committee.

Conclusions:

1. Although COAPS works as a staff unit of the DCI, the Intelligence Advisory Committee agencies must recognize, if progress is to be achieved,
 - a. that COAPS is the only permanently established unit of organization available for staff analysis and formulation of appropriate recommendations;
 - b. that the DCI is not looking to COAPS for only favorable answers on any problems under examination and that the agencies should not require similar partiality;
 - c. that COAPS, composed of individuals contributed by the participating agencies, can and does achieve objectivity in its evaluation of problems.

2. COAPS should assume more progressive initiative in exploring areas of difficulty in the coordination process and in preparing adequately items for Intelligence Advisory Committee consideration.

Recommendations:

1. That a memorandum be sent by the DCI to the IAC members notifying them that COAPS will be available to help appraise and recommend solutions to problems of intelligence coordination.

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

2. That COAPS assume responsibility for preparation of the items which are to be placed on the agenda of the Intelligence Advisory Committee meetings and in so doing COAPS be guided by the principle that with adequate prior staff study it is not necessary that all such items be first referred to the Standing Committee before consideration by the Intelligence Advisory Committee itself.

5.

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

State Recommendation 3:

"That the representation on the Standing Committee be the same as that of the IAC, and that the Standing Committee serve as a subordinate or staff committee to the IAC to consider on an interagency basis, problems referred to it by the IAC."

Discussion:

From a practical standpoint the Intelligence Advisory Committee Standing Committee cannot serve the Intelligence Advisory Committee as a "staff committee" since it has no permanent continuous working status. The main advantage of the existence of the Intelligence Advisory Committee Standing Committee is the element of time-saving to CIA in securing departmental viewpoints in round-table discussions on interdepartmental problems. Thus, in producing staff studies for the Intelligence Advisory Committee, COAPS is enabled to get agency reaction on these studies before putting them in final form for IAC action. Hence, the Standing Committee is the proving ground for testing the Staff Study, but in this process the Standing Committee should not be considered a barrier or layer between the Director of Central Intelligence and the Intelligence Advisory Committee. Accordingly, formality of procedure, demanding official actions such as motions and votes are non-essential in Standing Committee meetings. The adoption of parliamentary procedures in such meetings would serve no purpose since the Standing Committee, representatives of an advisory committee, can formulate no binding decisions.

Since meetings of any committee are non-productive unless some prior analysis is made of the problems to be discussed, the only items which the IAC should refer to the IAC Standing Committee "to consider on an interagency basis" are those upon which some staff work is already performed to clearly define the issue involved. This may have been done by the IAC agency introducing a particular problem. In most instances, however, problems requiring consideration "on an interagency basis," being beyond the pale of interest of any one department fall within the coordinating responsibility of the Director of Central Intelligence, and, as such, should be referred to him for adequate and proper consideration. In such "consideration" he will, of course, test his tentative findings with the Intelligence Advisory Committee before arriving at a decision.

The wording in the recommendation limits the kind of problems, that the Standing Committee may consider, to those "referred to it by the IAC." This restriction serves no useful purpose.

Recommendation:

That the Recommendation of the Department of State be accepted if changed to read as follows:

"That the representation on the Standing Committee be the same as that of the Intelligence Advisory Committee, and that the Standing Committee consider all problems referred to it on an interagency basis so as to speed up the attainment of departmental views on interdepartmental issues."

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

State Recommendation 4:

"That CIA fulfill its coordinating responsibility on research programs primarily through the Estimates Division, whose primary function should be such coordination, in accordance with the following principles:"

Discussion:

The primary function of any "Estimates Division" is to prepare intelligence estimates. Efficient work in this field will bring about a certain degree of coordination as a by-product. However, whether or not CIA establishes an organizational unit to be known as the "Estimates Division" is an internal decision to be made by the Director of Central Intelligence.

"Research," as such, is an undertaking very essential in producing an intelligence estimate and "research program" at the most is a segment of the total production function. CIA's coordinating responsibility goes far beyond the purview of just "research," embracing also coordination in many other fields; e.g., collection, dissemination.

How CIA carries on its coordinating responsibility is to be determined by the Director of Central Intelligence, and hence these "principles" of conduct are at the most suggestions for DCI to consider.

Conclusion:

Since the general subject being considered in State's first "Problem" is "Coordination of Intelligence Activities," the lead paragraph of Recommendation 4 should be reworded to express more accurately CIA's position.

Recommendations:

1. That it be recognized that the following principles are not all-inclusive.

2. That State Recommendation 4 be reworded to read:

"That CIA fulfill its coordinating responsibility in accordance with the following primary principles;"

~~SECRET~~

~~SECRET~~

~~SECRET~~

PAPER - ~~SECRET~~

First Principle

State Recommendation 4a:

"CIA will constitute itself the center of information on all U.S. foreign intelligence activities, including current research intelligence projects;"

Discussion:

The word "activities" places a false limitation on the scope of CIA functions. Knowledge of "all U.S. foreign intelligence" is sufficiently general to include information on activities.

As a central producer of national intelligence and as a coordinator of all intelligence in the federal structure, CIA should be the recognized repository of all information pertaining to intelligence undertakings planned, in progress, and completed in the IAC agencies.

To achieve this objective the IAC agencies themselves must take the initiative in maintaining strong world-wide collection facilities and in guaranteeing the free flow of raw information, finished departmental products, and other pertinent data to the Central Intelligence Agency.

Conclusion:

To comply with the mission of CIA, this statement of principle should be reworded so as to be more inclusive of CIA's total responsibility.

Recommendation:

That this statement of principle be accepted if reworded to read:

"CIA will constitute itself the center of information on all U.S. foreign intelligence matters, including agency programs, projects, reports, and activities of all types, and also on the nature and scope of the basic supporting data."



OCD

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

Second Principle

State Recommendation 4b:

"CIA will have free access to the plans and programs of the several intelligence agencies, subject to overall departmental regulation;"

Discussion:

CIA's authority to comprehend fully the agency intelligence activities and functions is circumscribed seriously by the present wording of NSCID 1, wherein it is specified that CIA may see only "intelligence materials" and these with the express permission of the department.

The last phrase of the principle, "subject to overall departmental regulation," could hamper progress if it were applied too generally. There is no objection to its usage if meant to cover only the security regulations of each department and agency.

Conclusions:

1. The general acceptance of this principle by all IAC agencies would strengthen and facilitate the responsibility of CIA in the field of interdepartmental coordination.
2. The principle might well be clarified so that there will be no misunderstanding regarding the kind of departmental regulations which are meant to apply.

Recommendations:

1. That this principle be adopted by CIA for IAC application.
2. That the IAC members instruct their organizations in adequate detail regarding full recognition of this principle at all levels throughout each agency.

OCD

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

Third Principle

State Recommendation 4c:

"CIA will recognize that it should have active liaison responsibility to other agencies as well as receiving liaison from those agencies;"


Discussion:

The goal expressed by this recommendation is practical and worthwhile, and is a responsibility concomitant with the "free access" thoughts expressed in the last proposed principle. The "free flow" idea should be a two-way endeavor applicable to persons as well as materials and information. This interagency liaison should exist at policy levels as well as at working levels.

Conclusion:

The efficiency of present liaison functions between the IAC agencies and CIA is a subject worthy of proper examination.

Recommendations:

1. That CIA examine the condition of present liaison activities between CIA and the IAC agencies, and
 2. Based upon the findings of such examination, issue the necessary operating instructions.
- 

OCD

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

Fourth Principle

State Recommendation 4d:

"CIA will effect coordination as much by positive action in stimulating appropriate intelligence effort as by negative action in preventing undesirable duplications;"

Discussion:

This principle ties in with the "forthright initiative and leadership" concept of the Dulles Report and NSC 50. Its adoption by CIA and its unqualified recognition and acceptance by the IAC agencies would strengthen the administrative role of the Director of Central Intelligence in effecting coordination.

Conclusions:

1. The "positive action" approach is undoubtedly the more acceptable method for stronger coordination efforts.

2. To work properly, this principle must be accepted fully by the Intelligence Advisory Committee agencies so as not to raise a question of "interference" with departmental undertaking when the DCI takes action in overall planning to stimulate "appropriate intelligence" efforts in the agencies.

Recommendation:

That this principle be adopted to guide CIA's actions in all fields of coordination, after receiving agency guarantees of full cooperation.

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

Fifth Principle

State Recommendation 4e:

"CIA will recognize that requests for intelligence other than national intelligence, as defined, shall be forwarded for action to the agencies in accordance with established allocations and existing programs;"

Discussion:

Requests coming to CIA are for intelligence relating to the national security, and, as such, are not earmarked "national," "departmental," or any other category. Neither does the requestor specify that the desired intelligence estimate must be prepared initially by any IAC department or agency. Accordingly, even though the request on CIA may ask for an intelligence product which is very largely political, this does not mean that CIA's responsibility to the requestor is fully discharged by merely calling upon the Department of State for the production of the estimate.

Usually a departmental intelligence estimate will not be allowed to go beyond the limits of the department unless the findings agree with policy. Hence all departmental intelligence products are framed in departmental policy viewpoints, and, as such, lose their objectivity when judged by intelligence standards.

Regardless of this deficiency, however, CIA utilizes departmental intelligence products and seeks departmental concurrences in the task of producing national intelligence estimates. The urgency of the request will determine whether the work thereunder falls into the category of "normal," "urgent," or "exceptional" as specified in DCI 3/1.

Conclusions:

1. "National Intelligence, as defined" being the basis for this recommendation by the Department of State, we should give consideration to improving the definition of National Intelligence.

2. The IAC agencies should realize:

a. That CIA was so constituted, and so placed in the Executive Structure to enable it to prepare national intelligence estimates in a completely objective manner, without necessity for reference to, or deference to, established policy.

b. Because of this important factor, CIA, in producing national intelligence estimates, has perse production responsibility even in the fields of dominant interest which are allocated by directive to the departments.

~~SECRET~~

~~SECRET~~

PAPER - I

~~SECRET~~

Recommendations:

1. That NSCID 3 be amended to include a new definition of National Intelligence as indicated in this report.
2. That DCI 3/1 and DCI 3/2 then be scrutinized in the light of an amended NSCID 3 for proper emphasis and meaning.

~~SECRET~~ ~~SECRET~~

~~SECRET~~

~~SECRET~~

PAPER - I

Sixth Principle

State Recommendation 4f:

"CIA will recognize that coordination also implies assistance to the agencies in meeting their responsibilities, including in some cases the temporary assignments of personnel to the agencies."

Discussion:

The suggested norm that "coordination also implies assistance" is an unsound thought for general application. There may be, and have been exceptional instances, when it was expedient to give the departments and agencies some personnel or financial aid. The NIS program is an example of this type. However, it must be recognized clearly that this help was not to be considered a precedent for other undertakings, but was rather an exception to the normal operating practices of CIA.

Conclusion:

This principle should be rejected as a substantially unsound interpretation of the function of coordination.

Recommendations:

1. That CIA non-concur in this principle and,
2. Whenever an IAC agency is given financial or other assistance by CIA it should be understood clearly that a particular purpose is to be served by such act, and that CIA does not prepare, and could not properly prepare, a budget to take care of anything except "contingency" cases of this nature.

~~SECRET~~

~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

PROBLEM II - PRODUCTION OF NATIONAL INTELLIGENCE

State Recommendation 1a:

"1. That IAC agree with respect to the production of national intelligence estimates:

"a. That national intelligence applies only to intelligence which is interdepartmental in substance;"

Discussion:

This recommendation expresses the State viewpoint on the fundamental differences between State and CIA regarding the production of national intelligence. CIA feels that national intelligence cannot be defined exclusively in terms of being interdepartmental in substance, but that the definition must embrace also the thought (based on the National Security Act of 1947) that any intelligence (regardless of category) "relating to the national security" is national intelligence, for which the Director of Central Intelligence, as the sole objective producer of intelligence in the federal government, not hemmed in by departmental policy prejudices, must assume full production responsibility.

In examining the present definition of National Intelligence in NSCID 3 many are prone to overlook the second and shorter definition of National Intelligence appearing in paragraph 4 of NSCID 1, wherein it is stated:

"The Director of Central Intelligence shall produce intelligence relating to the national security, hereafter referred to as national intelligence."

Conclusions:

1. The viewpoint expressed in this recommendation is too narrow to cover the essential components of National Intelligence, and
2. The Director of Central Intelligence should not concur in the concept that this recommendation be placed before the IAC for agreement.

Recommendation:

1. That this State recommendation be rejected as inapplicable and inappropriate as it fails to recognize the responsibilities imposed by law.

~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

State Recommendation 1b:

"1. That IAC agree with respect to the production of national intelligence estimates:

"b. That national intelligence should be developed with a maximum use of departmental facilities and minimum duplication of departmental intelligence activities;"

Discussion

This recommendation completely overlooks the fact that much of the "duplication of departmental intelligence activities" exists between departmental agencies themselves. Though "duplication," as construed generally, is a wasteful endeavor, the thought should never be used when applied to intelligence production without being modified by the word "undesirable." Though each agency of the Intelligence Advisory Committee, including the Central Intelligence Agency, has had allocated to it by National Security Council Directive a field of dominant interest, "it is recognized that the staff intelligence of each of the departments must be broader in scope (underscoring supplied) than any allocation of collection responsibility or recognition of dominant interest might indicate."

A second grave weakness in the recommendation is that the words "maximum use of departmental facilities" convey the erroneous notion that each department should prepare "its" section of a national intelligence estimate, or that national intelligence is merely the combining or stapling together of departmental intelligence products.

The principle that CIA should recognize the departmental facilities and should look to them for assistance whenever possible is worthwhile as long as this is done in a realistic manner.

Conclusions:

1. This recommendation should not be accepted as written until the IAC agencies understand and accept uniformly the meaning of "National Intelligence."

2. The IAC agencies should recognize that National Intelligence is not merely the editing and joining of departmental products, neither is it just the blending and merging of departmental viewpoints but rather is an overall objective evaluation analysis which transcends the competency, capacity, and policies of any department of government.

3. CIA should never subscribe to any recommendation or principle which overlooks the reality that "duplication" in the intelligence field, when within reasonable bounds, is more a blessing than a curse because of the adage that "Two minds are better than one."

]

~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

Recommendations:

1. That CIA not accept this recommendation until the basic problem of definition of "National Intelligence" is solved.
2. That even then this recommendation be rewritten before acceptance so that:
 - a. "Duplication" be modified to read "undesirable duplication," and
 - b. The "undesirable duplication" concept be understood to apply among the IAC agencies themselves as well as to the relationship between CIA and the agencies.
3. That the IAC agencies understand clearly that any such recommendation as this lays a positive burden on the agencies themselves to expedite an efficient and complete "free flow" of departmental raw information and finished departmental intelligence products to the Central Intelligence Agency.

✓
OCD

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

State Recommendation 1c:

"1. That IAC agree with respect to the production of national intelligence estimates:

"c. That except in crisis situations no step be taken in the preparation of national estimates before consultation with appropriate agencies."

Discussion:

This recommendation misplaces the emphasis of the basic fact that the Central Intelligence Agency is the SOLE unit of government charged with the production of National Intelligence. In carrying out this function CIA cannot seek direct or indirect prior permission or approval from any of the IAC agencies. CIA assumes full responsibility for the content and format of all national intelligence estimates, and hence CIA has to determine the mode to follow in the production of each such estimate.

However, CIA acknowledges the benefit to be achieved by tapping agency facilities. DCI 3/1 establishes clearly what shall be done in "normal," "urgent" and "exceptional" circumstances to seek agency participation in the production of national intelligence estimates. Agency participation even in Crisis Situations is now in the process of being formalized.

Conclusions:

1. To follow this recommendation would put fetters on the operations of the Central Intelligence Agency, by subordinating the function of producing National Intelligence to the policies and procedures of the departmental activities.

2. In showing the proper spirit of cooperation with the Intelligence Advisory Committee agencies, CIA has already gone further than the exception called for in this recommendation by asking for departmental comments even in "crisis situations."

3. To meet its deadline for furnishing a national intelligence estimate to the President, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and others, the Central Intelligence Agency cannot be dependent upon departmental promises of completion which are subject to the determination of departmental policy officials.

Recommendations:

1. That this State recommendation be rejected as being at variance with the mission and objectives of the Central Intelligence Agency.

2. That after "National Intelligence" has been understood, the IAC agencies recognize fully their position in the development of the national intelligence products.

~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

State Recommendation 2:

"That the IAC discuss and approve all national intelligence estimates on which there is substantial disagreement among the agencies or upon the request of a member."

Discussion:

This recommendation has two major weaknesses:

- a. The IAC is looked upon as a Board of Directors to assume ultimate responsibility for the content of CIA's products - i.e., National Intelligence estimates, and
- b. The recommendation is contrary to the conclusions of the NSC with respect to the Dulles Report. NSC 50 stated that the Director and the IAC should not be bound by the concept of collective responsibility because this would inevitably reduce coordinated national intelligence to the lowest common denominator among the agencies concerned.

Furthermore, there is no cogent reason why it should always be necessary to discuss dissents at IAC Meetings. The controlling factor for discussing national intelligence estimates at IAC Meetings should be the importance attached to the need for such discussion by any member of the IAC; rather than the mere existence of a difference of opinion as to the conclusions of the estimate.

We must recognize, however, that our present system on agency concurrences does not achieve the same end as would be derived by simultaneous collective discussion. Thus, some sympathetic consideration should be given to the fact that collective discussion rather than bringing out a weak "common denominator" of thought, might, if adequately staffed, add to the potency of the majority findings, might eliminate minority dissents without weakening the major conclusions, or might evolve new and even strengthened judgments on the premise under consideration.

Conclusions:

1. The recommended action is too broad and sweeping in calling for Intelligence Advisory Committee discussion on "all national intelligence estimates upon which there is substantial disagreement....."
2. IAC discussion should not be discouraged, but should be premised on the need as desired by any one member rather than on the existence of a substantial dissenting opinion.

Recommendations:

1. That the State recommendation be reworded to read:

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

"That the IAC discuss estimates upon the request of a member; provided that, in the opinion of the requesting member, there is a substantive and important fault in the estimate to be discussed."

2. That the recommendation as reworded be accepted.

~~SECRET~~

~~SECRET~~

PAPER - II

~~SECRET~~

State Recommendation 3:

"That COAPS review and make recommendations for any revision of procedures for the production of coordinated national estimates in crisis situations, such procedures to be, as far as possible, in accordance with the principles outlined in existing NSCID's, NSC 50 and Recommendation 1 above.

Discussion:

COAPS studied the need for a formal procedure to govern in crisis situations, and drafted and sent to the IAC agencies a proposed DCI on this subject. The Army and some other members wished to have the Army's phraseology as an amendment to NSCID No. 1, so the agreed-upon substance has been referred to the NSC to determine the method of issuance.

Conclusion:

It is thought that the objective of the State recommendation has now been reached.

Recommendation:

No further action is required until a reply is received from the NSC.

~~SECRET~~

~~SECRET~~

PAPER - III

~~SECRET~~

PROBLEM III - RESEARCH AND REPORTS

State Recommendation 1:

"That, aside from national intelligence, CIA will produce intelligence reports only in fields of common concern, as prescribed by the DCI on the advice of the IAC."

Discussion:

This recommendation conflicts with the view contained in 4e of State Paper I, which says that CIA will accomplish nothing beyond what is known as "National Intelligence." If "National Intelligence" is redefined in adequate fashion this State recommendation would apparently cause no restrictive limitation on the production responsibility of CIA. However, appearances are sometimes deceptive and such would be the case in this instance. The Director of Central Intelligence does not have authority to prescribe fields of common concern, nor does the IAC. The National Security Act is most specific in stating that CIA shall "perform, for the benefit of existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;" and furthermore that CIA shall "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct." (Underscoring supplied) The recommendation also restates the "Board of Directors'" philosophy that the Central Intelligence Agency shall undertake what is prescribed by the Intelligence Advisory Committee.

Conclusions:

1. This State recommendation is too restrictive as the Director of Central Intelligence must comply with requests from the President, the National Security Council, and others.

2. This State recommendation is erroneous in content by ascribing a responsibility to the DCI and the Intelligence Advisory Committee which belongs, by law, to the National Security Council.

Recommendation:

1. That the State recommendation be rejected.

~~SECRET~~ ~~SECRET~~

~~SECRET~~

PAPER - III

~~SECRET~~

State Recommendation 2:

"That, on a priority basis, COAPS prepare for consideration in IAC recommendations on the delineations of fields of common concern."

Discussion:

The "fields of common concern" are those areas of production which do not fall wholly into the allocated responsibility of any one department or agency. Thus under NSCID 3 "Economic, Scientific, and Technological Intelligence" are assigned to "Each agency in accordance with its respective needs."

Since the issuance of NSCID 3, a permanent interdepartmental Scientific Intelligence Committee has been established after long delays under DCI 3/3 "to plan, support and coordinate the production of scientific intelligence as it affects the national security." By this action the scientific and technological "fields of common concern" have not only been delineated, but have also been put under coordination control.

Conclusions:

1. Best coordination in fields of common concern is not achieved by mere "delineation" of the fields.
2. Continuous problems of coordination exist in those fields.
3. The precedent of establishing the Scientific Intelligence Committee should carry much weight in considering problems in the economic intelligence field.
4. Because of vaster scope and more complexities in the economic field there is even greater justification for establishing an Economic Intelligence Committee.

Recommendations:

1. That the State recommendation be rejected as not affording a true solution in the Economic Intelligence field.
2. That there be established by the Director of Central Intelligence a permanent interdepartmental committee, under the chairmanship of a representative of CIA, to plan, support and coordinate the production of economic intelligence as it affects the national security and that such committee be known as "The Economic Intelligence Committee."

~~SECRET~~

~~SECRET~~

~~SECRET~~

PAPER - IV

~~SECRET~~

PROBLEM IV - POLITICAL SUMMARIES

State Recommendation 1:

"That COAPS study and prepare recommendations for consideration by the IAC on the proper allocation of responsibility for political summaries, both daily and weekly."

Discussion:

As the intelligence facility of the National Security Council and the President, the Central Intelligence Agency must continually and systematically report all developments, political, economic, military, and otherwise, which materially affect or have a bearing upon United States national security and objectives abroad.

While CIA's Daily and Weekly Summaries are based to a considerable degree upon Department of State materials, the major cause for this situation derives from the fact that the Department of State makes its highest level intelligence and operational materials, which have utility for intelligence purposes, available to the Central Intelligence Agency whereas the Departments of Army, Navy, and Air Force normally do not provide operational details. It is hoped that this situation will be improved. Moreover, in periods of relative peace, the bulk of intelligence is of a political and economic, rather than military, nature.

The Central Intelligence Agency's intelligence summaries are the only ones designed primarily for the President and the National Security Council. Each departmental intelligence agency is authorized to produce such current publications as are required to meet its own departmental needs.

Conclusion:

The CIA Daily Summary and Weekly Summary are not designed to be only "political summaries." They are issued as current intelligence under Paragraph 1 of DCI 3/1.

Recommendation:

1. That the State recommendation be rejected.

~~SECRET~~